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January 3, 2008

DOGM
1594 W N Temple
Suite 1210, POB 145801
Salt Lake City, UT 84114-5801
Attn: Lynn Kunzler

RE: S/027/096 Inspection Report

Dear Lynn,

In reply to your inspection on the Fantasy Land Mine, we would like to close out this site, therefore we did not pay the annual rental. We also will be relinquishing our mining claim.
To the best of our knowledge, the BLM has been conducting material sales from the site. We have not conducted any operations other than hand samples, on the site for years.
The entire area has currently been undergoing a 90,000 acre fire reclamation project by the BLM and there have been numerous people and equipment in the area, and it is very likely that others have visited the site.

Thanks for the reminder on this, we need to get the bond released.

Happy New Year,

David Penney
Penney's Gemstones LLC



CC (email):
Daron Haddock
Kay McIff
Jerry Mansfield

RECEIVED

JAN 07 2008

DIV. OF OIL, GAS & MINING